OMNIBUS TRADE BILL/Labor Side Agreements

SUBJECT: African Growth and Opportunity Act... H.R. 434. Roth motion to table the Hollings amendment No. 2379 to the Roth/Moynihan substitute amendment No. 2325.

ACTION: MOTION TO TABLE AGREED TO, 54-43

SYNOPSIS: As introduced, H.R. 434, the African Growth and Opportunity Act, will expand trade with the 48 Sub-Saharan African (SSA) nations by making qualifying SSA nations eligible for enhanced benefits under the Generalized System of Preferences (GSP) program, by giving qualifying SSA nations duty-free and quota-free access to the United States for certain apparel products, by creating a Trade and Economic Cooperation Forum between the United States and SSA countries, and by directing the President to begin plans for implementing a United States-SSA free trade area.

The Roth/Moynihan substitute amendment would enact the Trade and Development Act. The substitute: would include provisions similar to the House provisions to expand trade with SSA countries; would reauthorize the expired GSP program, which grants the President the authority to provide duty-free treatment to imports of eligible articles from designated countries; would reauthorize the expired Trade Adjustment Assistance (TAA) programs, which provide assistance to workers adversely affected by import competition; and would enact the United States-Caribbean Basin Trade Enhancement Act, which would expand the Caribbean Basin Initiative (CBI) by providing additional tariff preferences on a number of products not previously covered.

The Hollings amendment would add that the benefits provided under this Act would not be given to any country until the President submitted to Congress a side agreement negotiated with that country concerning labor standards similar to the side agreement that was negotiated on the North America Free Trade Act (NAFTA).

Debate was limited by unanimous consent. After debate, Senator Roth moved to table the Hollings amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

(See other side)

YEAS (54)			NAYS (43)			NOT VOTING (2)	
F		Democrats	Republicans	Democrats (37 or 82%)		Republicans (2)	Democrats (0)
		(8 or 18%)	(6 or 12%)				
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Cochran Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grams Grassley Hagel Hatch	Hutchinson Hutchison Inhofe Jeffords Kyl Lott Lugar Mack McConnell Murkowski Nickles Roberts Roth Santorum Sessions Smith, Bob Smith, Gordon Specter Stevens Thomas Thompson Voinovich Warner	Baucus Breaux Dodd Graham Kerrey Landrieu Lieberman Moynihan	Campbell Collins Helms Shelby Snowe Thurmond	Akaka Bayh Biden Bingaman Boxer Bryan Byrd Cleland Conrad Daschle Dorgan Durbin Edwards Feingold Feinstein Harkin Hollings Inouye Johnson	Kennedy Kerry Kohl Lautenberg Leahy Levin Lincoln Mikulski Murray Reed Reid Robb Rockefeller Sarbanes Schumer Torricelli Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

VOTE NO. 345 NOVEMBER 2, 1999

Those favoring the motion to table contended:

Our colleagues are rightly and justly concerned that many people in foreign lands work under deplorable conditions. Those workers' pay is low, their benefits are usually non-existent, and the labor rights that they supposedly enjoy by law are not enforced. Our colleagues are also justly concerned that the exploitation of foreign labor, including child labor, puts American workers at a competitive disadvantage. However, this amendment would do nothing to solve those problems.

There are two huge problems with this amendment. First, it would delay any possible improvement in current foreign working conditions by delaying any expansion of trade. Both the Africa provisions and the CBI provisions of this bill are intended to encourage investment in very undeveloped countries. They have per capita incomes that are exceedingly low. There are huge levels of unemployment, and people often count themselves very lucky to have any job. This bill will remove trade barriers to a number of products from the Caribbean, Central America, and Africa in an effort to encourage more investment in those areas. Numerous studies show that the way to improve working conditions is to promote economic growth. Once people become gainfully employed and productive it becomes possible for them to begin demanding ever-higher labor standards, and it becomes possible for governments to enforce such standards. It is very difficult to negotiate safe working conditions and fair wages if there are no other jobs available and if the workforce is unproductive. These countries need capital investment and modern machinery in order to be able to compete in the world. If we pass this bill, we will bring the investment, the productivity, and the job options, and the labor improvements will follow.

The other huge problem is that it proposes a solution that we know from experience does not work. Basically, this amendment would call for economic sanctions against a country that did not enforce labor standards as negotiated with the United States. Our colleagues have held up the labor side agreement from NAFTA as a model of the type of agreement which they hope to have negotiated. However, the very examples they have used on how that agreement has worked in practice serve as an argument against this approach. They have gone on in great deal in describing specific allegations of mistreatment of workers in Mexico, which they say has come about because of NAFTA. If they are right, then what good is the threat of sanctions? On the other hand, we note that cooperative ventures between the three NAFTA participants have led to better working conditions in Mexico. This bill will emulate those ventures.

We have little trade at present with the countries affected by this bill, especially with the African nations. Once those markets are developed the United States will have hundreds of millions of new customers for its products. Passing this bill will be good for the United States and good for the developing nations of Africa, the Caribbean, and Central America. The Hollings amendment would delay those benefits and would fail in its effort to improve working conditions. We therefore support the motion to table.

Those opposing the motion to table contended:

Maguiladoras, or maguilas, are factories in Mexico and the CBI countries that make goods for export to the United States. Workers in those factories have to endure deplorable conditions. We recently visited with 12 former employees from one of those factories in Mexico. Conditions at their factory had become so bad that they had gone to Los Angeles to find a lawyer who would help them organize a union. To their surprise, they found out that they supposedly were already being represented by a union, though they had never met anyone from this union. They were then fired, because it is against the law in Mexico to try to form a union at a plant that is already represented. Under NAFTA, a side agreement was reached that forbids this type of abuse, and the complaints of these workers are under investigation by the Department of Labor. Such an investigation would not be possible under either the CBI or the proposed African trade bill, because they do not have labor side agreements. The maquilas in countries such as Guatemala produce clothing under the CBI for the American market without any basic labor protections. CBI maquilas force their employees to work long, overtime hours, they employ children as young as 13, they lock bathrooms for most of the day, they pay starvation-level wages, and they use physical force, including death threats and murder, to stop union organizing. The virtual slavelabor products that are produced are produced cheaply, and they undercut the prices of goods made in the United States. As a result, every year more and more jobs are being lost in the United States in order to make the owners of these factories richer. The protections provided by NAFTA are minimal, but they are better than nothing. They should be applied to trade with Africa and CBI countries. The Hollings amendment would require the application of these protections. We oppose the motion to table this amendment.